

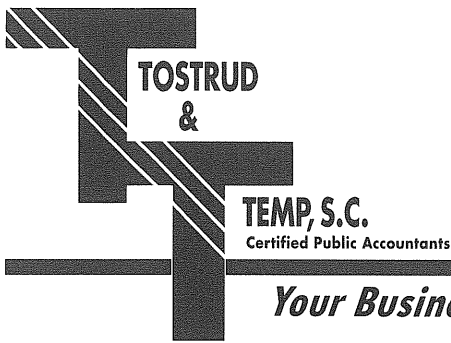
**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**EAST CENTRAL
INTERGOVERNMENTAL ASSOCIATION
DUBUQUE, IOWA**

JUNE 30, 2011

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Your Business Safety Net

INDEPENDENT AUDITOR'S REPORT

Council Members
East Central Intergovernmental
Association
Dubuque, Iowa 52002

We have audited the accompanying basic financial statements of the East Central Intergovernmental Association as of June 30, 2011, and for the year then ended, as listed in the table of contents. These basic financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the East Central Intergovernmental Association as of June 30, 2011, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 5 through 5.10 and pages 30 through 31 and page 38 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Central Intergovernmental Association's basic financial statements. The schedule of expenditures of federal awards, which is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as well as the schedule of expenditures of state financial assistance and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the East Central Intergovernmental Association. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated November 8, 2011 on our consideration of East Central Intergovernmental Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Torred & Temp, S. C.

November 8, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

The East Central Intergovernmental Association (ECIA) is a membership supported organization of local governmental bodies in Cedar, Clinton, Delaware, Dubuque, and Jackson Counties in eastern Iowa. The purpose of ECIA is to provide management and technical assistance to local government staff and elected officials.

ECIA exists because of a need for local governments facing similar problems to cooperate in finding solutions. This cooperative effort, through ECIA membership, provides greater resources to local governments than they would be able to afford individually. The sharing of resources and discussion of common concerns vastly improves the quality and consistency of solutions to local and regional problems. Costs are held at a level that allows all local governments in the region to participate. ECIA strives to provide "A Regional Response to Local Needs."

As management of ECIA, we offer the readers of ECIA's financial statements this narrative overview and analysis of the financial activities of ECIA for the year ended June 30, 2011. The financial statements of ECIA consist of the operations of ECIA (a planning agency) and Workforce Investment Act (WIA) (job training and retraining programs administered by ECIA). The financial statements do not include ECIA Business Growth, Inc., the Eastern Iowa Regional Utility Service Systems (EIRUSS), the Eastern Iowa Regional Housing Authority (EIRHA) or the Delaware, Dubuque and Jackson County Regional Transit Authority (RTA), which have been formed as separate and distinct entities.

We encourage readers to consider the information presented here in conjunction with ECIA's financial statements, which follow this discussion and analysis. This report complies with the Governmental Accounting Standards Board (GASB) Statement 34 reporting model.

Fiscal Year 2011 was another year impacted by the weather and the economy. ECIA staff continued to be engaged with our communities, our partner Councils of Government and the State in administering both State and Federal flood recovery programs related to the floods of 2008 and 2010.

Community Development Department staff partnered with Housing Department staff to identify 54 eligible participants in the New Production Homeownership program which provided down payment assistance for moderate income households to construct single family houses and townhomes in several locations in Dubuque. Construction began in the summer of 2011. Housing staff provided counseling for these individuals, which included credit counseling, budgeting, navigating loan paperwork, the inspection process, and routine maintenance.

The City of Dubuque contracted with ECIA to manage the Jule, the City's public transit system beginning July 1, 2010. ECIA staff was successful in helping to secure two FTA grants, the State of Good Repair and Clean Fuels Grants, totaling \$3.8 million for new transit vehicles and ITS equipment, enabling the City to replace its entire fleet of buses. Over \$350,000 will be saved annually in fuel and maintenance costs while lowering our carbon footprint and reducing greenhouse gas emissions.

As we look to fiscal 2012, the staff at ECIA continues to remain focused on providing excellent services to our members in the region.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

FINANCIAL HIGHLIGHTS

- The assets of ECIA exceeded its liabilities at June 30, 2011 by \$322,708 (net assets). This amount may be used to meet ECIA's ongoing obligations to member communities and creditors.
- ECIA's net assets increased by 14.9%, or \$41,858, from June 30, 2010 to June 30, 2011
- As of the close of the fiscal year, ECIA's fund balance was \$429,025, an increase of \$54,960 in comparison with the prior year.
- Total revenues decreased 3%, or approximately \$241,000, from fiscal 2010 to fiscal 2011. This was primarily due to a decrease in flood recovery funding as these programs, which began in 2008, were winding down. Total expenditures decreased 2.5%, or approximately \$198,000 from fiscal 2010 to fiscal 2011. This was primarily due to the decrease in pass thru of flood recovery funds and a decrease in WIA program stimulus funding.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to ECIA's basic financial statements. The financial statements included in this report are designed to provide readers with a broad overview of ECIA's finances, in a manner similar to a private sector business. ECIA utilizes the accrual basis of accounting, which recognizes revenues and expenses when earned, regardless of when cash is received or paid. The following statements are included in this report:

- Statement of Net Assets – This statement presents information on all of ECIA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of ECIA is improving or deteriorating.
- Statement of Activities – This statement is prepared on the accrual basis of accounting and presents functional expenses offset by revenue sources that are directly related.
- Balance Sheet Governmental Funds – This statement is prepared on the current financial resources measurement focus that generally only includes current assets and current liabilities.
- A reconciliation between the Balance Sheet-Governmental Funds and the Statement of Net Assets.
- Statement of Revenues, Expenditures and Changes in Fund Balance – This statement is prepared on the modified accrual basis of accounting and reports ECIA's operating revenue by major source, along with operating expenses.
- A reconciliation between the full accrual basis accounting statement (Statement of Activity) and the modified accrual basis statement (Statement of Revenues, Expenses and Changes in Fund Balance).

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

- Notes to financial statements – This section provides additional information that is essential to a full understanding of the data provided in the financial statements.
- Supplemental Information – In addition to the basic financial statements and accompanying notes, this section of the report presents certain required supplementary information, providing detailed information by program and by project, as well as a schedule of Federal Financial Assistance.

ANALYSIS OF NET ASSETS

As previously noted, net assets may serve over time as a useful indicator of ECIA's financial position. ECIA's net assets increased by \$41,858 from a year ago. The analysis that follows illustrates the changes in the components that make up net assets.

CONDENSED STATEMENT OF NET ASSETS

	2011	2010	NET CHANGE	PERCENT CHANGE
Cash and investments	108,778	160,459	(51,681)	(32.2)
Other Current Assets	984,189	1,144,902	(160,713)	(14.0)
Capital Assets	1,294,653	1,316,105	(21,452)	(1.6)
Total Assets	2,387,620	2,621,466	(233,846)	(8.9)
Current Liabilities	718,489	985,792	(267,303)	(27.1)
Long-Term Liabilities	1,346,423	1,354,824	(8,401)	(0.6)
Total Liabilities	2,064,912	2,340,616	(275,704)	(11.8)
Unrestricted	322,708	280,850	41,858	14.9
Total Net Assets	322,708	280,850	41,858	14.9

Total assets decreased by 8.9%, from \$2,621,466 in FY 2010 to \$2,387,620 in FY 2011. This decrease was primarily attributable to a decrease in grants receivable related to the Jumpstart Federal flood recovery program.

Cash decreased by \$51,681, primarily due to a lower cash balance in the WIA Special Revenue Fund. Accounts & Grants Receivable decreased from \$1,109,351 in FY 2010 to \$946,197 in FY 2011 due to decreased activity in the Jumpstart Federal flood recovery program.

Current liabilities decreased from \$985,792 in FY2010 to \$718,489 in FY2011. This decrease is primarily due to paying off the outstanding balance on the line of credit which was secured by ECIA to enable timely payment of Jumpstart Federal program contractor expenses while awaiting federal reimbursement. The line of credit balance was approximately \$264,000 at the end of FY10 and had been reduced to \$0 at the end of FY11.

The long-term liability line item reflects the loans for the purchase of a 2008 Dodge Avenger in FY09, a 2010 Nissan Rogue in FY10, two 2011 Ford Fusions in FY11 and

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

the Note Payable on the ECIA facility. Of the total outstanding balance of the loans, \$54,547 is classified as current and \$1,346,423 as long-term.

ANALYSIS OF REVENUES AND EXPENDITURES

In FY 2011 and FY 2010, total revenues were \$7,823,083 and \$8,064,207 respectively, a decrease of approximately \$241,000 or 3%. Total Expenditures for the same period decreased \$198,000 or 2.5%. A comparison of income and expenditures is outlined in the following table.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE				
	2011	2010	NET CHANGE	PERCENT CHANGE
REVENUES				
Federal	3,140,020	3,754,489	(614,469)	(16.4)
State of Iowa	601,957	868,220	(266,263)	(30.7)
State of Wisconsin	788	788	0	0.0
Membership Fees	95,983	94,166	1,817	1.9
Fees and assessments	635,440	360,971	274,469	76.0
EIRHA	1,271,695	1,220,777	50,918	4.2
CDBG Admin	666,487	362,403	304,084	83.9
ECIA Business Growth	267,332	250,133	17,199	6.9
Workforce Investment Act	639,038	584,042	54,996	9.4
EIRUSS	31,181	57,318	(26,137)	(45.6)
RTA	411,530	412,422	(892)	(0.2)
Interest	1,315	2,887	(1,572)	(54.5)
Miscellaneous	60,317	95,591	(35,274)	(36.9)
Total Revenues	7,823,083	8,064,207	(241,124)	(3.0)
EXPENDITURES				
Salaries, wages and benefits	4,085,822	3,433,561	652,261	19.0
Office supplies & operating materials	60,808	67,871	(7,063)	(10.4)
Conference and training	66,753	36,932	29,821	80.7
Business travel	175,542	163,020	12,522	7.7
Printing	14,184	15,352	(1,168)	(7.6)
Equip rental and maint	7,617	10,398	(2,781)	(26.7)
Office maintenance	6,731	16,707	(9,976)	(59.7)
Insurance and bonding	21,552	21,440	112	0.5
Dues and subscriptions	18,457	16,146	2,311	14.3
Telephone	34,503	31,929	2,574	8.1
Postage	34,956	41,824	(6,868)	(16.4)
Rent	25,155	30,339	(5,184)	(17.1)
Property Taxes	636	0	636	
Utilities	20,895	20,816	79	0.4
Advertising	18,542	5,900	12,642	214.3
Professional fees	128,069	75,620	52,449	69.4
Marketing	36,404	51,300	(14,896)	(29.0)
Equipment purchases	66,588	80,640	(14,052)	(17.4)
Long-term debt principal	68,531	49,612	18,919	38.1
Interest Expense	81,595	75,958	5,637	7.4
Miscellaneous	308	3,616	(3,308)	(91.5)

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE-CONTINUED

	2011	2010	NET CHANGE	PERCENT CHANGE
Pass through grant expense	1,676,338	2,170,458	(494,120)	(22.8)
WIA program costs	1,162,542	1,591,587	(429,045)	(27.0)
Total Expenditures	7,812,528	8,011,026	(198,498)	(2.5)
Excess of Revenues over Expenditures	10,555	53,181	(42,626)	(80.2)
Proceeds From Long-term Borrowing	30,405	41,707	(11,302)	(27.1)
Proceeds From Sale of Fixed Assets	14,000	4,527	9,473	209.3
Excess of Revenues and Other Financing Sources over Expend	54,960	99,415	(44,455)	(44.7)
Beginning Fund Balance	374,065	274,650	99,415	
Ending Fund Balance	429,025	374,065	54,960	14.7

Federal funding decreased by \$614,000 primarily due to the winding down of Round 1 of the Jumpstart Federal flood recovery program. Funding received from the State of Iowa decreased by \$266,000 as activity in the Jumpstart Housing flood recovery programs slowed during FY11, with the programs being closed out on June 30, 2011. Fees and assessments increased approximately \$274,000 primarily due to the contract with the City of Dubuque for the management of the Jule, the City's transit system. CDBG administration income increased \$304,000 due to the administration of the flood recovery programs. Income from the WIA program increased by \$55,000 due to the awarding of a National Emergency grant to assist displaced workers at Thermo Fisher Scientific. EIRUSS admin income decreased \$26,000 primarily due to a decrease in administration time on the Leisure Lake wastewater project as preliminary work has been completed and an application for funding has been submitted to USDA. Interest income decreased by \$1,600 due to carrying a lower cash balance in FY11 vs. FY10 which resulted from the expenditure of state flood recovery funds that had been advanced in FY09. Miscellaneous income decreased approximately \$35,000 as FY10 income included \$20,999 in grant funds received to purchase an XRF Analyzer, and \$13,040 in previously accrued property taxes for FY08 which were not required to be paid.

Salaries, wages and benefits increased \$652,000 due to the addition of a Transit Director and Operations Supervisor to oversee the operations of the Jule transit system, a 3D/Web Designer, and a Receptionist coupled with a 9% increase in health insurance premiums, .5% increase in IPERS benefit expense and .8% increase in SUTA expense. Office supplies decreased \$7,000 primarily due to one-time purchases of office furniture and computers for the intern offices in FY10 as well as the effort to decrease paper usage within the agency in FY11. Conference and training expense increased approximately \$30,000 primarily due to staff participation in transit related trainings. (Approximately \$17,000 of this transit training expense was reimbursed by the Iowa DOT through training fellowship grants.) Business travel increased approximately \$12,500 primarily due to the travel required in the administration of the flood recovery programs. Equipment rental and maintenance decreased \$2,800 due to a decrease in the number of photocopies made as a result of our agency-wide sustainability emphasis. Office

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

maintenance decreased \$10,000 due to a reduction in landscaping charges which were incurred in FY10 in order to combat the effects of erosion on the property. Dues & Subscriptions increased \$2,300 due to ECIA joining the American Public Transit Association and US Conference of Mayors. Telephone expense increased \$2,500 due to the addition of 3 cell phone lines for new staff. Postage decreased by \$6,900 as more agency correspondence was sent via email and EIRHA moved to direct deposit of landlord rent assistance payments vs. mailing paper checks.

Rent decreased by \$5,000 due to the relocation of the WIA Manchester office after the spring floods of 2010. ECIA was not charged rent for this office in FY11. Advertising increased \$12,600 due to publication requirements of the flood recovery programs. Professional fees increased \$52,000 primarily due a full year of having a WIA/IWD Site Coordinator in FY11 vs. a half year in FY10. In addition, approximately \$8,600 was paid for environmental studies related to the construction of homes under the New Production grant program. Marketing decreased by \$14,900 due to a decrease in PEI grant funding in FY11. Equipment purchases decreased \$14,000 as FY10 included costs to construct a dumpster enclosure and detention basin as well as the purchase of a used pickup truck for use by the building code inspectors. Long term debt principal increased due to the sale and early payoff of the loan on the Honda Insight. Interest expense increased due to carrying a higher balance on the line of credit in FY11. These funds were used to enable timely payment of Jumpstart Federal program contractor expenses while awaiting federal reimbursement. Pass through grant expenses decreased approximately \$494,000 due to the winding down of the Jumpstart Housing programs. WIA program costs decreased \$429,000 as a result of a decrease in ARRA funding.

OVERVIEW OF BUDGETS

ECIA annually adopts a budget on a basis consistent with generally accepted accounting principles. Budgets are adopted for the general fund and appropriations lapse at fiscal yearend. Salaries and operating expenses are allocated in accordance with a pre-approved "Cost Allocation Plan."

The ECIA Council approved one budget amendment in May 2011. Differences between the original budget and the final amended budget can be summarized as follows:

- The original revenue budget of \$6,760,289 was decreased to \$6,286,446, a decrease of approximately \$474,000. This was primarily due to a decrease in flood recovery program grant activity.
- The original expenditure budget of \$6,755,770 was decreased to \$6,283,569, a decrease of \$472,000. This decrease was also primarily due to the decrease in flood recovery program grant activity.

The Salary/benefit expense budget was increased by \$196,000 due to the hiring of a transit director and operations supervisor to oversee the operation of the Jule transit system. The office supplies budget was decreased by \$9,000 due to the success of the sustainability program. The budget for printing was decreased by \$12,000 due to greater use of web based publications. The postage budget was reduced by \$10,000 due to EIRHA's move to direct deposit of rental

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

assistance payments and the increased utilization of electronic communication. The utility budget was decreased \$6,000 as actual utility costs trended lower than anticipated. The Professional fees budget was increased \$11,000 due to the environmental studies required for the NP3 program. The long-term debt principal budget was increased due to the early payoff of the Honda Insight loan. Pass-through grant expense was decreased by \$650,000 due to the decrease in flood recovery activity.

RESULTS OF OPERATIONS

ECIA's management was pleased with the operating results for the fiscal year ending June 30, 2011. The amended budget anticipated excess revenue over expenditures of \$35,654. Actual results of operations reflected excess revenues of \$55,596.

Operating revenues were approximately \$374,000 or 5.6% higher than budgeted. Operating expenditures were \$366,000 or 5.5% more than budgeted. This was primarily due to the timing of flood recovery funding. The following table illustrates these points:

COMPARISON OF BUDGET VS. ACTUAL

	BUDGET	ACTUAL	VARIANCE	PERCENT
REVENUES				
Federal	2,155,064	1,977,478	(177,586)	(9.0)
State of Iowa	10,294	601,957	591,663	98.3
State of Wisconsin	787	788	1	0.1
Membership Fees	95,982	95,983	1	0.0
Fees and assessments	280,473	344,680	64,207	18.6
EIRHA	1,268,065	1,271,695	3,630	0.3
CDBG/EDSA Admin	717,400	666,487	(50,913)	(7.6)
ECIA Business Growth	275,391	267,332	(8,059)	(3.0)
Workforce Investment Act	696,315	639,038	(57,277)	(9.0)
EIRUSS	26,520	31,181	4,661	14.9
Regional Transit Authority	409,448	411,530	2,082	0.5
Jule Transit-City of Dubuque	290,760	290,760	0	0.0
Interest	1,251	1,315	64	4.9
Miscellaneous	58,696	60,317	1,621	2.7
Total Revenues	6,286,446	6,660,541	374,095	5.6
EXPENDITURES				
Salaries, wages and benefits	4,081,000	4,085,822	4,822	0.1
Office supplies & operating materials	61,000	60,808	(192)	(0.3)
Conference and training	48,000	66,753	18,753	28.1
Business travel	159,000	175,542	16,542	9.4
Printing	12,800	14,184	1,384	9.8
Equip rental and maint	8,000	7,617	(383)	(5.0)
Insurance and bonding	20,675	21,552	877	4.1
Dues and subscriptions	23,600	18,457	(5,143)	(27.9)
Telephone	33,700	34,503	803	2.3
Postage	35,000	34,956	(44)	(0.1)

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

COMPARISON OF BUDGET VS. ACTUAL-CONTINUED

	BUDGET	ACTUAL	VARIANCE	PERCENT
Rent	25,936	25,155	(781)	(3.1)
Utilities & Maintenance	29,400	27,626	(1,774)	(6.4)
Advertising	17,000	18,542	1,542	8.3
Professional fees	120,800	128,069	7,269	5.7
Marketing	35,018	36,404	1,386	3.8
Equipment purchases	66,600	66,588	(12)	(0.0)
Long-term debt principal	68,300	68,531	231	0.3
Interest expense	83,115	81,595	(1,520)	(1.9)
Miscellaneous	4,625	308	(4,317)	(1401.6)
Pass-through grant expense	1,350,000	1,676,338	326,338	19.5
Total Expenditures	6,283,569	6,649,350	365,781	5.5
Excess of Revenues over Expenditures	2,877	11,191	8,314	74.3
Other Income				
Proceeds from LT Borrowing	30,405	30,405	0	0.0
Proceeds from Sale of Fixed Assets	2,372	14,000	11,628	83.1
Excess of Revenues and Other Income				
Over (Under) Expenditures	35,654	55,596	19,942	35.9

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2011, ECIA had \$1,294,653 invested in capital assets (net of depreciation), including a building, land, office furniture and equipment and agency vehicles. Total outstanding debt was \$1,341,418, which represents the outstanding balance of the Economic Development Revenue Note used to fund the building and the four loans used to purchase agency vehicles. Outstanding debt exceeds capital assets as the purchase of the land was funded by the Economic Development Revenue Note and subsequently \$169,000 in land was donated to the RTA as match for the RIIF grant which funded the portion of the building owned by the RTA.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

ECIA's management and Council considered many factors when setting the fiscal year 2012 budget and the fees that will be charged for services, endeavoring to keep costs low for our members, while covering staff and overhead costs. Membership fees will increase from \$.50 to \$.52 per capita in Fiscal 2012. The hourly billing rates for all staff will remain the same as there will be no cost of living increase for staff due to current economic conditions in the region. Increases in employee health insurance costs as well as decreases in State and Federal funding levels will continue to be a concern in the year ahead. ECIA has implemented a wellness program for staff in an effort to support behavior conducive to the health of employees and their families, thereby achieving better health and reducing associated health risks.

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

As we progress into 2012, we will continue to work collaboratively, developing new and building on already successful partnerships, while the staff at ECIA remains committed to building strong and healthy communities and making our region a great place to live and work.

FINANCIAL CONTACT

These financial statements are designed to provide our member communities, funding agencies and creditors with a general overview of ECIA's finances and to show ECIA's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to ECIA's Executive Director or Director of Finance and Human Resources, 7600 Commerce Park, Dubuque, IA 52002.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF NET ASSETS
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and investments	\$ 108,778
Accounts receivable	510,292
Grants receivable	435,905
Prepaid fees and expenses	37,992
Total current assets	<u>1,092,967</u>
Noncurrent assets	
Property and Equipment	
Land improvements	11,121
Building	1,052,275
Equipment and furniture	263,305
	<u>1,326,701</u>
Accumulated depreciation	<u>(246,480)</u>
	1,080,221
Land	214,432
Total noncurrent assets	<u>1,294,653</u>
Total assets	<u><u>\$ 2,387,620</u></u>
LIABILITIES	
Current liabilities	
Excess of outstanding checks over bank balance	\$ 7,660
Current portion of long-term obligations	54,547
Line of credit	-
Accounts payable	73,129
Deferred revenue	
Grants	138,763
Prepaid memberships	8,330
Accrued liabilities	
Vacation and holiday pay	255,563
Salaries and wages	684
Other	179,813
Total current liabilities	<u>718,489</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	<u>1,346,423</u>
Total liabilities	<u>2,064,912</u>
NET ASSETS	
Investment in capital assets, net of related debt	-
Unrestricted	<u>322,708</u>
Total net assets	<u>322,708</u>
Total liabilities and net assets	<u><u>\$ 2,387,620</u></u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF ACTIVITIES
For the year ended June 30, 2011

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Salaries, wages and fringe benefits	\$ 3,770,328	\$ 2,066,880	\$ 1,689,904	\$ -	\$ (13,544)
Office supplies	58,074	31,836	26,029	-	(209)
Operating materials	-	-	-	-	-
Conferences and training	63,388	34,749	28,411	-	(228)
Business travel	149,762	82,099	67,125	-	(538)
Printing	11,619	6,369	5,208	-	(42)
Equipment rental and maintenance	7,492	4,107	3,358	-	(27)
Office maintenance	6,490	3,558	2,909	-	(23)
Insurance and bonding	17,841	9,780	7,997	-	(64)
Dues and subscriptions	16,666	9,136	7,470	-	(60)
Telephone	33,817	18,538	15,157	-	(122)
Postage	32,340	17,729	14,495	-	(116)
Property tax expense	212	116	95	-	(1)
Rent	10,486	5,748	4,700	-	(38)
Utilities	20,761	11,381	9,305	-	(75)
Advertising	18,419	10,097	8,256	-	(66)
Professional fees	76,646	42,017	34,354	-	(275)
Marketing	36,404	19,957	16,317	-	(130)
Depreciation	76,355	41,858	34,223	-	(274)
Interest expense	81,385	44,615	36,478	-	(292)
Pass through grant expense	1,676,338	918,963	751,354	-	(6,021)
Loss on disposal of fixed assets	-	-	-	-	-
Miscellaneous	207	113	93	-	(1)
WIA program costs	1,162,542	-	1,162,542	-	-
Total governmental activities	\$ <u>7,327,572</u>	\$ <u>3,379,646</u>	\$ <u>3,925,780</u>	\$ <u>-</u>	(22,146)
General revenues					
Interest					1,315
Miscellaneous					60,317
Gain on sale of fixed assets					2,372
Total general revenues					<u>64,004</u>
Change in net assets					
41,858					
Net assets at beginning of year					
<u>280,850</u>					
Net assets at end of year					
\$ <u>322,708</u>					

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>ECIA</u>	<u>WIA</u>	
	General	Special	
	Fund	Revenue	Total
	<u>Fund</u>	<u>Fund</u>	
ASSETS			
Cash and investments	\$ 90,684	\$ 18,094	\$ 108,778
Accounts receivable	510,292	-	510,292
Grants receivable	366,407	69,498	435,905
Due from other funds	70,347	7,880	78,227
Prepaid fees and expenses	37,992	-	37,992
	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>1,075,722</u>	\$ <u>95,472</u>	\$ <u>1,171,194</u>
 LIABILITIES AND FUND BALANCE			
Liabilities			
Excess of outstanding checks over bank balance	\$ -	\$ 7,660	\$ 7,660
Line of credit	-	-	-
Accounts payable	64,280	8,849	73,129
Accrued liabilities			
Vacation and holiday pay	255,563	-	255,563
Salaries and wages	-	684	684
Other	179,761	52	179,813
Deferred revenue			
Deferred grant revenue	138,763	-	138,763
Prepaid memberships	8,330	-	8,330
Due to other funds	-	78,227	78,227
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	646,697	95,472	742,169
 Fund balance			
Unrestricted			
Committed - building maintenance	30,000	-	30,000
Unassigned	399,025	-	399,025
	<u> </u>	<u> </u>	<u> </u>
Total fund balance	429,025	-	429,025
	<u> </u>	<u> </u>	<u> </u>
	\$ <u>1,075,722</u>	\$ <u>95,472</u>	\$ <u>1,171,194</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2011

Fund balance - governmental funds	\$	429,025
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Total net assets reported for governmental activities in the statement of net assets are different from the amount reported above as total governmental funds fund balances because:

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net assets are as follows:

Governmental capital assets	\$	1,541,133	
Governmental accumulated depreciation		<u>(246,480)</u>	1,294,653

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net assets that are not reported in the funds balance sheet are as follows:

Vested employee benefits	(59,552)	
General obligation debt	<u>(1,341,418)</u>	<u>(1,400,970)</u>

Total net assets - governmental activities	\$	<u>322,708</u>
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**
For the year ended June 30, 2011

	ECIA General Fund	WIA Special Revenue Fund	Total
Revenues			
Federal	\$ 1,977,478	\$ 1,162,542	\$ 3,140,020
State of Iowa	601,957	-	601,957
State of Wisconsin	788	-	788
Membership fees	95,983	-	95,983
Fees and assessments	635,440	-	635,440
Economic Development Set-Aside and CDBG grant administration	666,487	-	666,487
Agency service billings			
ECIA Business Growth	267,332	-	267,332
Eastern Iowa Regional Housing Authority (EIHRA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,271,695	-	1,271,695
Workforce Investment Act (WIA) grants	639,038	-	639,038
Regional Transit Authority	411,530	-	411,530
EIRUSS	31,181	-	31,181
Interest	1,315	-	1,315
Miscellaneous	60,317	-	60,317
Total revenues	6,660,541	1,162,542	7,823,083
Expenditures			
Salaries, wages and fringe benefits	4,085,822	-	4,085,822
Office supplies	60,808	-	60,808
Operating materials	-	-	-
Conferences and training	66,753	-	66,753
Business travel	175,542	-	175,542
Printing	14,184	-	14,184
Equipment rental and maintenance	7,617	-	7,617
Office maintenance	6,731	-	6,731
Insurance and bonding	21,552	-	21,552
Dues and subscriptions	18,457	-	18,457
Telephone	34,503	-	34,503
Postage	34,956	-	34,956
Property tax expense	636	-	636
Rent	25,155	-	25,155
Utilities	20,895	-	20,895
Advertising	18,542	-	18,542
Professional fees	128,069	-	128,069
Marketing	36,404	-	36,404
Equipment purchases	66,588	-	66,588
Long-term debt principal	68,531	-	68,531
Interest expense	81,595	-	81,595
Pass through grant expense	1,676,338	-	1,676,338
Miscellaneous	308	-	308
Program and administrative costs	-	1,162,542	1,162,542
Total expenditures	6,649,986	1,162,542	7,812,528
Excess of revenues over expenditures	\$ 10,555	\$ -	\$ 10,555

Continued on next page.

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED**
For the year ended June 30, 2011

	<u>ECIA</u> General Fund	<u>WIA</u> Special Revenue Fund	<u>Total</u>
Other financing sources			
Proceeds from sale of fixed assets	\$ 14,000	\$ -	\$ 14,000
Proceeds from long-term borrowing	<u>30,405</u>	<u>-</u>	<u>30,405</u>
Total other financing sources	<u>44,405</u>	<u>-</u>	<u>44,405</u>
 Excess of revenues and other financing source over expenditures	 54,960	 -	 54,960
 Fund balance at beginning of year	 <u>374,065</u>	 <u>-</u>	 <u>374,065</u>
 Fund balance at end of year	 <u><u>\$ 429,025</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 429,025</u></u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the year ended June 30, 2011

Net change in fund balances - total governmental funds \$ 54,960

Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. Assets disposed of for less than book value (cost - accumulated depreciation) are recorded as losses on disposition of fixed assets.

Capital outlay reported in governmental fund statements	\$	66,588	
Gain on sale of fixed assets		2,372	
Proceeds from sale of fixed assets		(14,000)	
Depreciation expense reported in the statement of activities		<u>(76,412)</u>	
Amount by which capital outlays are greater than depreciation and land donation in the current period are:			(21,452)

Vested employee benefits are reported in the governmental fund statements when amounts are paid. The statement of activities reports the value of benefits earned during the year:

Special termination benefits paid in current year	-		
Special termination benefits earned in current year		<u>(29,776)</u>	
Amounts paid are less than amounts earned by			(29,776)

Proceeds from current year debt issues are reported as revenue in the governmental funds, but are reported as long-term debt in the statement of net assets and does not affect the statement of activities.

The amount of proceeds from new debt issues in the current year is:			(30,405)
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:		<u>68,531</u>	
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Change in net assets - governmental activities	\$	<u>41,858</u>	
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

East Central Intergovernmental Association is organized pursuant to the provisions of Chapters 473A and 28E of the Code of Iowa as a regional planning organization designed to assist local governments in cooperating with one another. The East Central Intergovernmental Association consists of a council of thirty locally elected and appointed officials from the counties of Cedar, Clinton, Delaware, Dubuque, and Jackson. This council, along with ECIA staff, seeks to coordinate relationships among local municipalities, improve communications with federal and state governments and to provide planning and programming assistance.

For financial reporting purposes, the Association has included all of its funds, organizations, agencies, and boards. The Association has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Association to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Association. The financial statements presented herein do not include E.C.I.A. Business Growth, Inc. or Eastern Iowa Regional Housing Authority, which have been formed as separate and distinct entities.

The financial statements of the Association consist of the following operations: East Central Intergovernmental Association (a planning agency) and Workforce Investment Act (WIA) (job training and retraining programs administered by the East Central Intergovernmental Association).

2. Basis of Presentation

Association-wide Statements - The statement of net assets and the statement of activities present financial information about the Association's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Association has no business-type activities or fiduciary funds. However, such activities or funds would be included in these financial statements if they existed.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

Association-wide Statements - Continued - The statement of activities presents a comparison between direct/indirect expenses and revenues for each program of the Association's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular program/grant. Indirect expenses are common entity-wide expenses allocated to programs based on direct labor costs. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements - The fund statements provide information about the Association's funds. Separate statements for each fund category -- governmental, proprietary, and fiduciary, as applicable -- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, as applicable with each displayed in a separate column. All remaining governmental and enterprise funds, as applicable are aggregated and reported as non-major funds. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Association reports the following major governmental funds:

General fund - This is the Association's primary operating fund. All financial activity not required to be accounted for in another fund is accounted for in the general fund.

Special revenue fund - This fund accounts for activities associated with providing job training and retraining programs. Revenue sources consist entirely of grants received from the federal government.

3. Measurement Focus and Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Association considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

Proceeds of general long-term debt and fixed asset acquisitions made under capital leases are reported as other financing sources. Under the terms of grant agreements, the Association may fund certain programs by a combination of specific cost-reimbursement grants, service fees, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the Association's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

4. Budgets

The Association, although not legally required to do so, annually adopts a budget on a basis consistent with accounting principles generally accepted in the United States of America. A budget is adopted for the general fund and special revenue fund annually and is amended upon board approval. Appropriations lapse at fiscal year end. The adopted budget and budgetary expenditure control is exercised at the expenditure type level (salaries, rent, etc.).

5. Cash and Investments

The Association's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. The Association's investment policy permits investment of available cash balances in time deposits at any bank or credit union in the State of Iowa, U.S. Treasury obligations, U.S. agency issues and certain repurchase agreements. All investments are stated at fair market value.

6. Receivables

Any amounts reported on the statement of net assets for due to and due from other funds represent amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Capital Assets

Capital assets are reported at actual cost if available. Estimated cost is used when actual cost is not determinable. Donated assets are reported at estimated fair market value on the date received. Repairs and maintenance are recorded as expenditures; replacements and betterments that extend an asset's life by greater than one year are capitalized.

8. Depreciation

The Association provides for depreciation of equipment and leasehold improvements using annual rates that are sufficient to amortize the cost of depreciable assets over their estimated useful lives using the straight-line method of depreciation.

Estimated useful lives are as follows:

Land and building improvements	5-20 years
Building	40 years
Computer equipment	1-3 years
Furniture and equipment	3-10 years
Vehicles	3 years

9. Retirement Plans

Association employees participate in the Iowa Public Employees Retirement System (IPERS). All contributions made by the Association on behalf of its employees are reported as expenditures when earned.

10. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures, as appropriate. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as revenues in the fund that is reimbursed.

11. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Subsequent Events

The Association has evaluated subsequent events through November 8, 2011, the date which the financial statements were available to be issued.

NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND ASSOCIATION-WIDE STATEMENTS

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences between recording expenditures for the purchase of fixed assets in the governmental fund statements and capitalizing fixed assets in the Statement of Net Assets and recording depreciation expense on all fixed assets in the Statement of Activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease in liabilities, as applicable, in the Statement of Net Assets, and interest expense is recorded in the statement of activities as incurred.
- d. Inter-fund transactions are differences that arise because governmental funds include billings for services provided by the Association's general fund to the special revenue fund. These inter-fund transactions are eliminated on the Statement of Activities.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

**NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND ASSOCIATION-WIDE STATEMENTS - CONTINUED**

	Total Governmental Funds	Long-term Revenue/ Expenses	Capital Related Items	Long-term Debt Transactions	Inter-fund Transactions	Statement of Activities Total
Revenues and other source						
Federal	\$ 3,140,020	\$ -	\$ -	\$ -	\$ -	\$ 3,140,020
State of Iowa	601,957	-	-	-	-	601,957
State of Wisconsin	788	-	-	-	-	788
Membership fees	95,983	-	-	-	-	95,983
Fees and assessments	635,440	-	-	-	-	635,440
Economic Development Set-Aside and CDBG grant administration	666,487	-	-	-	-	666,487
Agency service billings						
ECIA Business Growth	267,332	-	-	-	-	267,332
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,271,695	-	-	-	-	1,271,695
Workforce Investment Act	639,038	-	-	-	(456,025)	183,013
Regional Transit Authority	411,530	-	-	-	-	411,530
EIRUSS	31,181	-	-	-	-	31,181
Interest	1,315	-	-	-	-	1,315
Miscellaneous	60,317	-	-	-	-	60,317
Proceeds from sale of fixed assets	14,000	-	(14,000)	-	-	-
Gain on sale of fixed assets	-	-	2,372	-	-	2,372
Proceeds from long-term borrowing	30,405	-	-	(30,405)	-	-
Total revenues	7,867,488	-	(11,628)	(30,405)	(456,025)	7,369,430
Expenditures						
Salaries, wages and fringe benefits	4,085,822	29,776	-	-	(345,270)	3,770,328
Office supplies	60,808	-	-	-	(2,734)	58,074
Operating materials	-	-	-	-	-	-
Conferences and training	66,753	-	-	-	(3,365)	63,388
Business travel	175,542	-	-	-	(25,780)	149,762
Printing	14,184	-	-	-	(2,565)	11,619
Equipment rental and maintenance	7,617	-	-	-	(125)	7,492
Office maintenance	6,731	-	-	-	(241)	6,490
Insurance and bonding	21,552	-	-	-	(3,711)	17,841
Dues and subscriptions	18,457	-	-	-	(1,791)	16,666
Telephone	34,503	-	-	-	(686)	33,817
Postage	34,956	-	-	-	(2,616)	32,340
Property taxes	636	-	-	-	(424)	212
Rent	25,155	-	-	-	(14,669)	10,486
Utilities	20,895	-	-	-	(134)	20,761
Advertising	18,542	-	-	-	(123)	18,419
Professional fees	128,069	-	-	-	(51,423)	76,646
Marketing	36,404	-	-	-	-	36,404
Depreciation	-	-	76,412	-	(57)	76,355
Equipment purchases	66,588	-	(66,588)	-	-	-
Long-term debt principal	68,531	-	-	(68,531)	-	-
Interest expense	81,595	-	-	-	(210)	81,385
Pass through grant expense	1,676,338	-	-	-	-	1,676,338
Loss on sale of fixed assets	-	-	-	-	-	-
Miscellaneous	308	-	-	-	(101)	207
WIA program costs	1,162,542	-	-	-	-	1,162,542
Total expenditures	7,812,528	29,776	9,824	(68,531)	(456,025)	7,327,572
Net change for the year	\$ 54,960	\$ (29,776)	\$ (21,452)	\$ 38,126	\$ -	\$ 41,858

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE C - CASH DEPOSITS

Cash and investments as of June 30, 2011, are classified in the accompanying financial statements as follows:

Statement of Net assets	
Cash and investments	\$ 108,778
Excess of outstanding	
cash over bank balance	(7,660)
Net assets and investments	\$ <u>101,118</u>

Cash and investments as of June 30, 2011 consist of the following:

	Carrying Amount	Bank Balance
Petty cash	\$ 75	\$ -
Investment checking/savings and money market accounts	101,043	327,555
	\$ <u>101,118</u>	\$ <u>327,555</u>

Investments Authorized by the Association's Investment Policy

The Association is required to invest its funds in accordance with Iowa Statutes. The Association may consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income is allocated to various funds based on their respective participation in accordance with generally accepted accounting principles. Safety of principal is the foremost objective of the Association's investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Association limits its exposure to interest rate risk by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. The Association also structures its investment portfolio so that securities mature to meet cash requirements, avoiding the need to sell securities in the open market prior to maturity.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Association minimizes its credit risk by limiting investment types and pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the Association will do business.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE C - CASH DEPOSITS - CONTINUED

Concentration of Credit Risk

SFAS 105 defines a concentration of credit risk as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Association diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the government's deposits might not be recovered. The Association's deposits at June 30, 2011 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Association or the Association's agent in the Association's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Association does not have an investment policy that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE

At June 30, 2011, the Association had the following accounts and grants receivable outstanding:

Accounts Receivable

Eastern Iowa Regional Housing Authority	\$ 99,752
Eastern Iowa Regional Partnership, LLP	672
Eastern Iowa Regional Housing Corp.	397
Eastern Iowa Development Corp.	4,612
E.I.R.U.S.S	27,486
Local contract charges	148,059
E.C.I.A. Business Growth, Inc.	22,079
E.C.I.A. HMPG	8,524
Regional Transit Authority	75,231
Asbury EIRP, LLLP	913
Other	<u>122,567</u>
Total	<u>\$ 510,292</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE - CONTINUED

Grants Receivable - ECIA

Iowa DOT - FHWA planning	\$	17,405
Iowa DOT - MPO		7,958
Iowa DOT - Safe Routes to School		95,752
Iowans Helping Iowans		15,678
Wisconsin DOT - MPO		7,087
Iowa Workforce Development		8,583
Jumpstart		47,022
Promise Jobs		33,993
EDA Grant		132,929
		<u>366,407</u>

Grants Receivable - WIA

WIA Grants		69,498
Total grants receivable	\$	<u><u>435,905</u></u>

NOTE E - PENSION AND RETIREMENT BENEFITS

The Association contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost sharing multiple employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.50% of their annual salary and the Association is required to contribute 6.95% of annual covered payroll to the plan. Contribution requirements are established by State statute. The Association's contribution to IPERS for the year ended June 30, 2011 of \$207,971 is equal to the required contribution for the year. The Association's contributions for the years ended June 30, 2010 and 2009 were \$163,570 and \$136,887, respectively, equal to the required contributions for those years.

NOTE F - COMPENSATED ABSENCES

Association employees accumulate vacation hours for subsequent use or for payment upon termination, retirement or death. Sick leave hours accumulate for subsequent use and are not recognized as expenditures by the Association until used. The Association's approximate liability for unrecognized accrued employee benefits at June 30, 2011 is as follows:

Sick leave	\$	<u><u>574,015</u></u>
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Sick leave is accumulated at a rate of one day per month to a maximum accumulation of 100 days. Use of sick leave is available only to employees of record. There is no payoff of unused accumulated sick leave upon termination.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE G - OPERATING LEASE COMMITMENTS

The Association has signed a lease to rent office space in Dubuque from December 1, 2008 to November 30, 2013. The lease requires monthly payments of \$2,053.33.

Future minimum lease payments are as follows:

June 30, 2012	\$	24,640
2013		24,640
2014		10,267
	\$	<u>59,547</u>

NOTE H - FIXED ASSETS

A summary of changes in property and equipment comprising general fixed assets is as follows:

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Land	\$ 214,432	\$ -	\$ -	\$ 214,432
Land improvements	11,121	-	-	11,121
Building	1,052,275	-	-	1,052,275
Equipment and furniture	<u>241,462</u>	<u>66,588</u>	<u>44,745</u>	<u>263,305</u>
Subtotal	1,519,290	66,588	44,745	1,541,133
Accumulated depreciation				
Land improvements	3,169	2,224	-	5,393
Building	51,382	26,307	-	77,689
Equipment and furniture	<u>148,634</u>	<u>47,881</u>	<u>33,117</u>	<u>163,398</u>
Accumulated depreciation	<u>203,185</u>	<u>76,412</u>	<u>33,117</u>	<u>246,480</u>
Total	<u>\$ 1,316,105</u>	<u>\$ (9,824)</u>	<u>\$ 11,628</u>	<u>\$ 1,294,653</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE I - GENERAL LONG-TERM OBLIGATIONS

Long-term debt transactions for the year ended June 30, 2011 are as follows:

	Balance at July 1, 2010	Additions	Deletions	Balance at June 30, 2011
Notes payable	\$ 1,379,544	\$ 30,405	\$ 68,531	\$ 1,341,418
Vested employee benefits	29,776	29,776	-	59,552
	<u>\$ 1,409,320</u>	<u>\$ 60,181</u>	<u>\$ 68,531</u>	<u>\$ 1,400,970</u>

Long-term debt at June 30, 2011 is comprised of the following:

Description	Balance at June 30, 2011	Due Within One Year
\$19,034 commercial loan from East Dubuque Savings Bank dated September 25, 2008 and due in monthly installments of \$573, including interest at 5.24% per annum until September 25, 2011.	\$ 1,702	\$ 1,702
\$20,871 commercial loan from Nissan Motors Acceptance Corp. May 21, 2010 and due in monthly installments of \$580, including interest at 0.00% per annum until June 5, 2013.	13,914	6,957
\$16,243 commercial loan from DuTrac Community Credit Union dated August 23, 2010 and due in monthly installments of \$478, including interest at 3.74% per annum until August 25, 2013.	11,912	5,386
\$14,163 commercial loan from DuTrac Community Credit Union dated November 29, 2010 and due in monthly installments of \$417, including interest at 3.74% per annum until November 25, 2013.	11,523	4,654
\$1,392,281 Economic Development Revenue Note, Series 2007 dated October 5, 2007 and due in monthly installments of \$8,565, including interest at 5.20% per annum until October 1, 2032.	<u>1,302,367</u>	<u>35,848</u>
Total	<u>\$ 1,341,418</u>	<u>\$ 54,547</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE I - GENERAL LONG-TERM OBLIGATIONS - CONTINUED

The annual requirements needed to amortize the long-term debt of the Association as of June 30, 2011, are as follows:

Year ended June 30,	Principal	Interest	Total
2012	\$ 54,547	\$ 67,649	\$ 122,196
2013	55,130	65,347	120,477
2014	42,746	63,034	105,780
2015	41,886	60,894	102,780
2016	44,117	58,663	102,780
2017-2021	258,431	255,469	513,900
2022-2026	334,979	178,921	513,900
2027-2031	434,201	79,699	513,900
2032	75,381	1,684	77,065
	<u>\$ 1,341,418</u>	<u>\$ 831,360</u>	<u>\$ 2,172,778</u>

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

The Association provides various early retirement benefits to eligible staff. The benefit is determined based on position, longevity and union membership (if applicable). Employees who retire at age 55 or older with 10 years of service and already participating in the health insurance plan at retirement, may remain on the Association's health insurance until the employee is eligible for Medicare. Retirees pay the full cost of the insurance premium with no surviving spouse provisions. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required in Governmental Accounting Standards Board (GASB) Statement No. 45 in the Statement of Activities. There were no retirees receiving benefits and six employees were eligible to receive benefits in the fiscal year ended June 30, 2011.

Actuarial methods and assumptions. The actuarial assumptions used are as prescribed in GASB 45 under the Alternate Measurement Method. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and used to determine the Other Post-Employment Benefits (OPEB) liability of the Association include using Projected Unit Credit with linear proration to decrement method, a 4% discount rate based on the plan being on a pay-as-you-go method, and an initial healthcare trend rate of 10.0% in 2011 with a one-half percent per

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE J - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

year decrease annually until leveling off in 2020 and later at 5%. The UAAL is being amortized over 30 years using a level percent of pay based on an open group. Demographic assumptions are based on industry assumptions with some consideration given to differences exhibited by the employees of the Association.

The discount rate was chosen assuming that the plan will be funded on a pay-as-you-go basis. If the Association chooses to fund the plan into an irrevocable trust, the discount rate must be adjusted accordingly to reflect the rate of return on the assets which will be used to pay the benefits.

Funding Policy. The plan is being funded on a pay-as-you-go basis.

Annual Pension Cost and Net Pension Obligation. The Association's annual pension cost and net pension obligation for the current year is:

Component	Amount
Annual required contribution	\$ 29,776
Interest on net pension obligation	-
Annual pension cost (expense)	29,776
Pension payments made	-
Increase in net pension obligation	29,776
Net pension obligation - beginning of year	29,776
Net pension obligation - end of year	<u>\$ 59,552</u>

Funded Status and Funding Progress. The Association implemented GASB Statement No. 45 for the first time for the fiscal year ending June 30, 2010. See page 29 for information on funding status and progress.

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation
6/30/2011	\$ 29,776	0.00%	\$ 59,552
6/30/2010	29,776	0.00%	29,776

GASB Statement No. 45 required that the Association implement this new standard for the fiscal year 2010, which began July 1, 2009. The Association chose to implement this standard prospectively, meaning that the liability started at zero on July 1, 2009, but the liability will grow every year that the Association does not make contributions equal to the annual OPEB cost.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2011

NOTE K - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following expenditures had an excess of actual expenditures over budget for the year ended June 30, 2011:

General Fund

Salaries, wages and fringe benefits \$	4,822
Conferences and training	1,915
Business travel	16,542
Printing	1,384
Insurance and bonding	877
Telephone	803
Utilities	1,495
Advertising	1,542
Professional fees	7,269
Marketing	1,386
Long-term debt principal	231
Pass-through grant expense	326,338

Workforce Investment Act

Program costs	91,116
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NOTE L - RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL INFORMATION

East Central Intergovernmental Association

Dubuque, Iowa

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS FOR

POST-EMPLOYMENT BENEFIT PLANS

Year ended June 30, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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Other Post-employment Benefits

6/30/2011	\$ -	\$ 201,540	\$ 201,540	0.00%	\$ 2,654,547	7.59%
6/30/2010	\$ -	\$ 201,540	\$ 201,540	0.00%	\$ 2,317,451	8.70%

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Revenues				
Federal	\$ 2,705,239	\$ 2,155,064	\$ 1,977,478	\$ (177,586)
State of Iowa	9,000	10,294	601,957	591,663
State of Wisconsin	787	787	788	1
Membership fees	98,089	95,982	95,983	1
Fees and assessments	455,874	571,233	635,440	64,207
Economic Development Set-Aside and CDBG grant administration	718,151	717,400	666,487	(50,913)
Agency service billings				
ECIA Business Growth	267,425	275,391	267,332	(8,059)
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,334,105	1,268,065	1,271,695	3,630
Workforce Investment Act	641,784	696,315	639,038	(57,277)
Regional Transit Authority	440,290	409,448	411,530	2,082
EIRUSS	34,045	26,520	31,181	4,661
Interest	2,500	1,251	1,315	64
Miscellaneous	53,000	58,696	60,317	1,621
Total revenues	6,760,289	6,286,446	6,660,541	374,095
Expenditures				
Salaries, wages and fringe benefits	3,884,913	4,081,000	4,085,822	(4,822)
Office supplies	70,000	61,000	60,808	192
Operating materials	-	-	-	-
Conferences and training	46,100	48,000	66,753	(18,753)
Business travel	159,500	159,000	175,542	(16,542)
Printing	25,000	12,800	14,184	(1,384)
Equipment rental and maintenance	12,000	8,000	7,617	383
Office maintenance	10,000	10,000	6,731	3,269
Insurance and bonding	24,000	20,675	21,552	(877)
Dues and subscriptions	22,000	23,600	18,457	5,143
Telephone	40,000	33,700	34,503	(803)
Postage	45,000	35,000	34,956	44
Property tax expense	-	-	636	(636)
Rent	31,000	25,936	25,155	781
Utilities	25,000	19,400	20,895	(1,495)
Advertising	15,000	17,000	18,542	(1,542)
Professional fees	109,357	120,800	128,069	(7,269)
Marketing	35,000	35,018	36,404	(1,386)
Equipment purchases	68,000	66,600	66,588	12
Long-term debt principal	50,000	68,300	68,531	(231)
Interest expense	78,000	83,115	81,595	1,520
Pass-through grant expense	2,000,000	1,350,000	1,676,338	(326,338)
Miscellaneous	5,900	4,625	308	4,317
Total expenditures	6,755,770	6,283,569	6,649,986	(366,417)
Excess of revenues over expenditures	4,519	2,877	10,555	7,678

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
For the Year ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Other income				
Proceeds from sale of fixed assets	\$ 4,000	\$ 2,372	\$ 14,000	\$ 11,628
Proceeds of long-term borrowing	25,000	30,405	30,405	-
	<u>29,000</u>	<u>32,777</u>	<u>44,405</u>	<u>11,628</u>
Excess of revenues and other income over (under) expenditures	33,519	35,654	54,960	19,306
Fund balance at beginning of year	<u>374,065</u>	<u>374,065</u>	<u>374,065</u>	<u>-</u>
Fund balance at end of year	<u>\$ 407,584</u>	<u>\$ 409,719</u>	<u>\$ 429,025</u>	<u>\$ 19,306</u>

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND
For the Year Ended June 30, 2011

		30	40	45	50	55	56	65	66	67	75	80
		FHWA and	General	ECIA	Economic			Tax Credit	EIHC	IFA		Regional
	Totals	Section 8	Technical	Business	Development	EIRHA	EIRHC	Housing	Housing	Tax Credit	Promise	Transit
		Transportation	Assistance	Growth	Grant			Programs	Counseling	Compliance	Jobs	RPA/STP
REVENUES												
Federal	\$ 1,977,478	\$ 147,207	\$ -	\$ -	\$ 172,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328,838	\$ 197,575
State of Iowa	601,957	-	-	-	70,363	-	-	-	-	-	-	-
State of Wisconsin	788	788	-	-	-	-	-	-	-	-	-	-
Membership fees	95,983	20,548	3,263	-	5,246	-	-	-	-	-	-	24,271
Fees and assessments	635,440	41,820	109,101	1,883	43,606	-	-	16,976	-	28,146	-	2,334
Economic Development Set-Aside and CDBG grant administration	666,487	-	-	-	-	-	-	-	-	-	-	-
Agency service billings												
ECIA Business Growth	267,332	-	-	267,332	-	-	-	-	-	-	-	-
EIRHA/EIRHC	1,271,695	-	-	-	-	1,242,517	5,155	-	24,023	-	-	-
WIA and related programs	639,038	-	-	-	-	-	-	-	-	-	-	-
Regional Transit Authority	411,530	-	-	-	-	-	-	-	-	-	-	-
EIRUSS	31,181	-	-	-	-	-	-	-	-	-	-	-
Interest	1,315	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	60,317	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	14,000	-	-	-	-	-	-	-	-	-	-	-
Proceeds from long-term borrowing	30,405	-	-	-	-	-	-	-	-	-	-	-
Total revenues	6,704,946	210,363	112,364	269,215	291,945	1,242,517	5,155	16,976	24,023	28,146	328,838	224,180
EXPENDITURES												
Salaries, wages and fringe benefits	4,085,822	170,988	94,463	221,170	110,284	1,116,808	4,831	16,462	21,742	21,793	285,834	186,096
Office supplies	60,808	3,816	2,662	5,143	2,101	13,367	33	25	159	298	2,122	3,546
Operating materials	-	-	-	-	-	-	-	-	-	-	-	-
Conferences and training	66,753	7,316	350	7,897	4,517	4,232	15	55	116	1,838	3,502	5,030
Business travel	175,542	8,382	4,709	7,975	2,876	9,610	24	140	163	593	22,521	7,702
Printing	14,184	379	266	631	274	3,214	16	42	71	48	861	556
Equipment rental and maintenance	7,617	521	235	594	316	1,992	7	-	51	55	119	424
Office maintenance	6,731	482	171	519	285	1,669	6	-	5	135	95	227
Insurance and bonding	21,552	799	434	1,010	507	5,087	22	75	94	101	1,485	821
Dues and subscriptions	18,457	852	308	2,755	669	3,492	20	61	23	364	2,102	478
Telephone	34,503	1,945	212	2,119	761	11,538	3	-	38	28	1,587	2,545
Postage	34,956	659	443	2,388	300	17,534	7	30	105	26	1,039	774
Property taxes	636	-	-	-	-	-	-	-	-	-	212	-
Rent	25,155	-	-	-	-	-	-	-	-	-	5,249	-
Utilities	20,895	1,338	703	1,673	844	5,623	19	-	158	162	47	1,371
Advertising	18,542	272	42	343	49	877	2	7	7	11	136	580
Professional fees	128,069	3,632	3,175	4,653	1,899	14,585	44	79	328	1,603	1,650	4,182
Marketing	36,404	-	-	-	36,404	-	-	-	-	-	-	-
Depreciation	76,412	2,522	656	2,031	743	5,104	16	-	157	146	43	2,967
Equipment purchases	66,588	-	-	-	-	-	-	-	-	-	-	-
Long-term debt principal	68,531	2,062	1,144	2,694	1,313	8,969	29	-	265	257	75	2,243
Interest expense	81,595	4,398	2,391	5,620	2,808	18,816	61	-	541	545	159	4,638
Pass thru grant expense	1,676,338	-	-	-	124,995	-	-	-	-	-	-	-
Loss on disposal of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	308	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	6,726,398	210,363	112,364	269,215	291,945	1,242,517	5,155	16,976	24,023	28,003	328,838	224,180
Excess of revenues over (under) expenditures	\$ (21,452)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ -	\$ -

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the Year Ended June 30, 2011

	85	86	87	88	90	100	105	106	108
	CDBG Admini- stration	Jumpstart Flood Relief	EDA Flood Grant	Cedar County FEMA PA	General	WIA	WIA Stimulus	WIA TANF Youth	WIA Eagle/ Featherlite
REVENUES									
Federal	\$ -	\$ -	\$ 67,956	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Iowa	-	531,594	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-	-	-
Membership fees	-	-	-	-	42,655	-	-	-	-
Fees and assessments	-	-	-	(1,409)	-	-	-	-	-
Economic Development Set-Aside and CDBG grant administration	663,980	-	-	-	-	-	-	-	-
Agency service billings									
ECIA Business Growth	-	-	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-	-	-
Workforce Investment Act	-	-	-	-	-	391,615	32,977	14,315	17,118
Regional Transit Authority	-	-	-	-	-	-	-	-	-
EIRUSS	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,315	-	-	-	-
Miscellaneous	-	-	-	-	60,317	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	14,000	-	-	-	-
Proceeds from long-term debt	-	-	-	-	30,405	-	-	-	-
Total revenues	663,980	531,594	67,956	(1,409)	148,692	391,615	32,977	14,315	17,118
EXPENDITURES									
Salaries, wages and fringe benefits	526,737	10,815	57,132	(1,246)	-	287,296	29,210	13,192	15,572
Office supplies	10,771	16	2,881	(16)	-	2,731	-	3	-
Operating materials	-	-	-	-	-	-	-	-	-
Conferences and training	5,239	5	212	(4)	-	3,026	185	57	97
Business travel	25,843	705	3,310	(16)	21,242	23,525	1,292	312	651
Printing	2,667	5	81	(5)	-	2,450	61	17	37
Equipment rental and maintenance	1,476	10	110	(10)	-	125	-	-	-
Office maintenance	1,290	-	71	-	-	241	-	-	-
Insurance and bonding	2,531	5	164	(5)	-	2,999	326	63	323
Dues and subscriptions	2,316	-	118	-	-	1,620	39	129	3
Telephone	6,446	21	60	(21)	-	602	23	49	12
Postage	6,719	2	221	(2)	-	2,616	-	-	-
Property tax expense	-	-	-	-	-	424	-	-	-
Rent	-	-	-	-	-	12,115	1,736	452	366
Utilities	4,213	10	292	(10)	-	134	-	-	-
Advertising	12,318	-	10	-	-	108	7	5	3
Professional fees	23,477	13	1,711	(14)	-	51,235	98	36	54
Marketing	-	-	-	-	-	-	-	-	-
Depreciation	11,040	9	238	(8)	46,759	57	-	-	-
Equipment purchases	-	-	-	-	66,588	-	-	-	-
Long-term debt principal	6,741	15	447	(15)	35,390	101	-	-	-
Interest expense	14,156	36	898	(37)	-	210	-	-	-
Pass thru grant expense	-	519,927	-	-	-	-	-	-	-
Loss on sale of fixed assets	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	308	-	-	-	-
Total expenditures	663,980	531,594	67,956	(1,409)	170,287	391,615	32,977	14,315	17,118
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (21,595)	\$ -	\$ -	\$ -	\$ -

Continued from previous page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the Year Ended June 30, 2011

	114	115	116	118	119	120	140	145
	Rockwell Collins SEG	Tri-State Youth Offender	EJP	Deere/Exide/ Henderson	Thermo Fischer	OJT NEG	Green Jobs	SESP Grant
REVENUES								
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,800	\$ -
State of Iowa	-	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-	-	-
Fees and assessments	-	-	-	-	-	-	-	-
Economic Development Set-Aside and CDBG grant administration	-	-	-	-	-	-	-	-
Agency service billings								
ECIA Business Growth	-	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-	-
Workforce Investment Act	8,296	48,216	6,039	7,445	109,267	1,286	-	2,464
Regional Transit Authority	-	-	-	-	-	-	-	-
EIRUSS	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-
Total revenues	8,296	48,216	6,039	7,445	109,267	1,286	19,800	2,464
EXPENDITURES								
Salaries, wages and fringe benefits	7,456	44,634	4,851	6,595	95,611	1,171	17,534	2,224
Office supplies	22	52	6	21	639	-	196	19
Operating materials	-	-	-	-	-	-	-	-
Conferences and training	16	51	90	11	690	5	76	10
Business travel	419	1,925	617	477	4,408	67	198	10
Printing	14	89	16	12	274	4	47	8
Equipment rental and maintenance	4	-	-	3	5	-	41	5
Office maintenance	3	-	-	3	1	-	33	2
Insurance and bonding	35	183	14	31	974	8	78	10
Dues and subscriptions	36	91	13	32	388	2	39	1
Telephone	71	126	39	61	128	6	27	4
Postage	4	-	1	2	8	-	60	8
Property taxes	-	-	-	-	-	-	-	-
Rent	115	921	392	108	3,691	10	-	-
Utilities	8	-	-	6	11	-	131	16
Advertising	3	17	-	4	46	1	6	1
Professional fees	42	127	-	41	2,325	12	565	48
Marketing	-	-	-	-	-	-	-	-
Depreciation	7	-	-	6	11	-	121	16
Equipment purchases	-	-	-	-	-	-	-	-
Long-term debt principal	13	-	-	10	19	-	211	27
Interest expense	28	-	-	22	38	-	437	55
Pass thru grant expense	-	-	-	-	-	-	-	-
Loss on sale of fixed assets	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total expenditures	8,296	48,216	6,039	7,445	109,267	1,286	19,800	2,464
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Continued from previous page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the Year Ended June 30, 2011

	185	200	300	400	410	500	505
	Jumpstart Federal Projects	Economic Development Set-Aside	Eastern Iowa Utility Service Systems	Regional Transit Authority	The Jule	IWD Regional Coordinator	NICC Regional Coordinator
REVENUES							
Federal	\$ 1,043,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Iowa	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-	-
Fees and assessments	-	-	-	-	302,785	45,596	44,602
Economic Development Set-Aside and CDBG grant administration	-	2,507	-	-	-	-	-
Agency service billings							
ECIA Business Growth	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-
Workforce Investment Act	-	-	-	-	-	-	-
Regional Transit Authority	-	-	-	411,530	-	-	-
EIRUSS	-	-	31,181	-	-	-	-
Interest	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Proceeds from sale of fixed assets	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-
Total revenues	1,043,372	2,507	31,181	411,530	302,785	45,596	44,602
EXPENDITURES							
Salaries, wages and fringe benefits	-	2,248	23,440	353,131	254,550	41,585	41,613
Office supplies	-	24	501	6,251	3,320	50	49
Operating materials	-	-	-	-	-	-	-
Conferences and training	-	3	363	5,299	15,286	1,086	82
Business travel	-	9	2,559	8,624	10,755	1,964	1,951
Printing	-	7	55	976	780	116	115
Equipment rental and maintenance	-	6	76	979	473	-	-
Office maintenance	-	1	43	862	587	-	-
Insurance and bonding	-	11	108	1,627	1,235	199	198
Dues and subscriptions	-	24	95	1,200	887	151	149
Telephone	-	5	849	3,445	1,358	208	208
Postage	-	9	63	1,547	393	-	-
Property taxes	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-
Utilities	-	17	184	2,731	1,214	-	-
Advertising	-	2	1,145	782	1,722	18	18
Professional fees	-	34	652	8,127	3,218	219	219
Marketing	-	-	-	-	-	-	-
Depreciation	-	16	161	2,542	1,052	-	-
Equipment purchases	-	-	-	-	-	-	-
Long-term debt principal	-	28	283	4,331	1,879	-	-
Interest expense	11,956	63	604	9,076	4,076	-	-
Pass thru grant expense	1,031,416	-	-	-	-	-	-
Loss on sale of fixed assets	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total expenditures	1,043,372	2,507	31,181	411,530	302,785	45,596	44,602
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Continued from previous page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
AND COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND
For the Year Ended June 30, 2011

	30 FHWA and FTA Section 8 Transportation 11MPO-ECIA	80 Regional Transit RPA 11RPA-08
REVENUES		
Federal - Planning	\$ 146,207	\$ 102,575
Federal - Safe Routes to School	1,000	95,000
State of Wisconsin	788	-
Membership fees	20,548	24,271
Fees and assessments	41,820	2,334
Total revenues	210,363	224,180
EXPENDITURES		
Salaries, wages and fringe benefits	170,988	186,096
Office supplies	3,816	3,546
Conferences and training	7,316	5,030
Business travel	8,382	7,702
Printing	379	556
Equipment rental and maintenance	521	424
Office maintenance	482	227
Insurance and bonding	799	821
Dues and subscriptions	852	478
Telephone	1,945	2,545
Postage	659	774
Rent	-	-
Utilities	1,338	1,371
Advertising	272	580
Professional fees	3,632	4,182
Depreciation	2,522	2,967
Long-term debt principal	2,062	2,243
Interest expense	4,398	4,638
Total expenditures	210,363	224,180
Federal or state participation percentage	80%	80%
Computed project grant earned	\$ 168,289	\$ 179,343
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or:	\$ 146,207	\$ 102,575
Therefore, the grants earned equal:	\$ 146,207	\$ 102,575

East Central Intergovernmental Association
Dubuque, Iowa

**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
AND COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND - CONTINUED**
For the Year Ended June 30, 2011

50

United States Department of Commerce Economic Development Planning Grant									
	05-83-04962			05-83-04962-01		EDA RLF	PEI	Collabor-	Total
	Prior Audit 1/1-6/30/10	Current Year 7/1-12/31/10	Total 1/1-12/31/10	Current Year 1/1-6/30/11	Total Fiscal Year	Recapitali- zation Grant	Buyer- Supplier Grant	ative Marketing	Economic Development
REVENUES									
Federal - EDA	\$ 33,581	\$ 28,418	\$ 61,999	\$ 19,317	\$ 47,735	\$ 124,995	\$ -	\$ -	\$ 172,730
State of Iowa - Planning	-	-	-	-	-	-	-	60,069	60,069
State of Iowa - Other	15,641	7,000	22,641	3,294	10,294	-	-	-	10,294
Membership fees	979	-	979	5,246	5,246	-	-	-	5,246
Fees and assessments	37,082	3,021	40,103	693	3,714	-	5,148	34,744	43,606
Total revenues	87,283	38,439	125,722	28,550	66,989	124,995	5,148	94,813	291,945
EXPENDITURES									
Salaries, wages and fringe benefits	43,712	43,784	87,496	31,155	74,939	-	-	35,345	110,284
Office supplies	899	1,525	2,424	576	2,101	-	-	-	2,101
Conferences and training	294	4,270	4,564	247	4,517	-	-	-	4,517
Business travel	2,297	2,027	4,324	849	2,876	-	-	-	2,876
Printing	219	135	354	139	274	-	-	-	274
Equipment rental and maintenance	203	235	438	81	316	-	-	-	316
Office maintenance	762	260	1,022	25	285	-	-	-	285
Insurance and bonding	294	347	641	160	507	-	-	-	507
Dues and subscriptions	328	447	775	222	669	-	-	-	669
Telephone	420	421	841	340	761	-	-	-	761
Postage	307	97	404	203	300	-	-	-	300
Property taxes	-	-	-	-	-	-	-	-	-
Utilities	479	573	1,052	271	844	-	-	-	844
Advertising	20	35	55	14	49	-	-	-	49
Professional fees	1,780	978	2,758	921	1,899	-	-	-	1,899
Marketing and pass through grant expense	17,666	1,153	18,819	10,527	11,680	124,995	-	24,724	161,399
Depreciation	388	482	870	261	743	-	-	-	743
Long-term debt principal	739	860	1,599	453	1,313	-	-	-	1,313
Interest expense	1,523	1,901	3,424	907	2,808	-	-	-	2,808
Total expenditures	72,330	59,530	131,860	47,351	106,881	124,995	-	60,069	291,945
Add qualifying matching expenses	-	-	-	-	-	-	5,148	11,353	
Add in-kind matching expenses	-	-	-	-	-	-	-	23,925	
Expense basis for computation of federal and/or state participation in project cost	72,330	59,530	131,860	47,351	106,881	124,995	5,148	95,347	
Federal or state participation percentage	50%	50%	50%	50%	50%	100%	100%	100%	
Computed project grant earned	\$ 36,165	\$ 29,765	\$ 65,930	\$ 23,676	\$ 53,440	\$ 124,995	\$ 5,148	\$ 95,347	
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or:	\$ 33,581	\$ 28,418	\$ 61,999	\$ 19,317	\$ 47,735	\$ 124,995	\$ -	\$ 60,069	
Therefore, the grants earned equal:	\$ 33,581	\$ 28,418	\$ 61,999	\$ 19,317	\$ 47,735	\$ 124,995	\$ -	\$ 60,069	

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WORKFORCE INVESTMENT ACT (WIA)
For the Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Revenues				
Workforce Investment Act (WIA) grants	\$ 1,070,000	\$ 1,071,426	\$ 1,162,542	\$ 91,116
Total revenues	1,070,000	1,071,426	1,162,542	91,116
Expenditures				
Administrative expenses	97,846	97,846	97,846	-
Program costs	972,154	973,580	1,064,696	(91,116)
Total expenditures	1,070,000	1,071,426	1,162,542	(91,116)
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INVESTMENT ACT (WIA)
June 30, 2011

Pass-through Entity: Upper Explorerland Regional Planning Commission

Contract Number: East Central Intergovernmental Association and
Upper Explorerland Regional
Planning Commission Joint Agreement

Contract Period: July 1, 2010 through June 30, 2011

Program:	Admini- stration	Stimulus Youth in School	Stimulus Youth Out of School	Stimulus RFP	Stimulus State Set Aside
Assets					
Cash	\$ 1,472	\$ -	\$ -	\$ 1,888	\$ 1,164
Grants receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,888</u>	<u>\$ 1,164</u>
Liabilities and Fund Balance					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,472	-	-	1,888	1,164
Accrued liabilities					
Salaries and wages	-	-	-	-	-
Other	-	-	-	-	-
Excess of outstanding checks over bank balance	-	-	-	-	-
Total liabilities	1,472	-	-	1,888	1,164
Fund balance	-	-	-	-	-
	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,888</u>	<u>\$ 1,164</u>

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INVESTMENT ACT (WIA) - CONTINUED
June 30, 2011

Pass-through Entity:	Upper Explorerland Regional Planning Commission	Workforce Connections	ECIA Business Growth, Inc.
Contract Number:	East Central Intergovernmental Association and Upper Explorerland Regional Planning Commission Joint Agreement		
Contract Period:	July 1, 2010 through June 30, 2011		

Program:	Adult Formula	Youth in School Formula	Youth Out of School Formula	Dislocated Worker Formula	Adult DLW Incentive	State Set- Aside	Youth Offender Expansion	Green Jobs
Assets								
Cash	\$ -	\$ 183	\$ 1,647	\$ 9,572	\$ -	\$ -	\$ -	\$ -
Grants receivable	-	6,368	17,019	22,610	-	1,462	-	-
Due from other funds	2,046	-	-	-	5,834	-	-	-
	\$ 2,046	\$ 6,551	\$ 18,666	\$ 32,182	\$ 5,834	\$ 1,462	\$ -	\$ -
Liabilities and Fund Balance								
Accounts payable	\$ 1,626	\$ 35	\$ 629	\$ 506	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	6,516	18,037	31,676	-	112	-	-
Accrued liabilities								
Salaries and wages	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Excess of outstanding checks over bank balance	420	-	-	-	5,834	1,350	-	-
Total liabilities	2,046	6,551	18,666	32,182	5,834	1,462	-	-
Fund balance	-	-	-	-	-	-	-	-
	\$ 2,046	\$ 6,551	\$ 18,666	\$ 32,182	\$ 5,834	\$ 1,462	\$ -	\$ -

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INVESTMENT ACT (WIA) - CONTINUED
June 30, 2011

Pass-through Entity:	Iowa Workforce Development								
Contract Number:	<u>8-W-FR- P8-3-01</u>	<u>11-W-FR- P1-0-17</u>	<u>9-W-PF- RR-1-22</u>	<u>10-W-FR- 9F-0-05</u>	<u>11-W-FR- P1-0-06</u>	<u>11-W-FR- P1-0-03</u>	<u>9-W-PF- RR-1-30</u>	<u>11-I-PF- EG-0-05</u>	<u>ECIA-TANF</u>
Contract Period:	July 1, 2010 through June 30, 2011								

Program:	<u>EPJ NEG</u>	<u>EPJ Severe Storms</u>	<u>Rockwell Collins SEG</u>	<u>Eagle Feather- Lite</u>	<u>ARRA OJT</u>	<u>Thermo Fisher</u>	<u>Deere/Exide Henderson SEG</u>	<u>State Energy Sector</u>	<u>TANF</u>	<u>Total</u>
Assets										
Cash	\$ -	\$ 57	\$ -	\$ 348	\$ 399	\$ 1,364	\$ -	\$ -	\$ -	\$ 18,094
Grants receivable	56	2,094	-	2,286	734	13,048	-	3,821	-	69,498
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,880</u>
	<u>\$ 56</u>	<u>\$ 2,151</u>	<u>\$ -</u>	<u>\$ 2,634</u>	<u>\$ 1,133</u>	<u>\$ 14,412</u>	<u>\$ -</u>	<u>\$ 3,821</u>	<u>\$ -</u>	<u>\$ 95,472</u>
Liabilities and Fund Balance										
Accounts payable	\$ -	\$ 226	\$ -	\$ 88	\$ 149	\$ 2,375	\$ -	\$ 3,215	\$ -	\$ 8,849
Due to other funds	-	1,189	-	2,546	984	12,037	-	606	-	78,227
Accrued liabilities										
Salaries and wages	-	684	-	-	-	-	-	-	-	684
Other	-	52	-	-	-	-	-	-	-	52
Excess of outstanding checks over bank balance	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,660</u>
Total liabilities	56	2,151	-	2,634	1,133	14,412	-	3,821	-	95,472
Fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 56</u>	<u>\$ 2,151</u>	<u>\$ -</u>	<u>\$ 2,634</u>	<u>\$ 1,133</u>	<u>\$ 14,412</u>	<u>\$ -</u>	<u>\$ 3,821</u>	<u>\$ -</u>	<u>\$ 95,472</u>

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East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INVESTMENT ACT (WIA)
For the year ended June 30, 2011

Pass-through Entity:	<u>Upper Explorerland Regional Planning Commission</u>
Contract Number:	<u>East Central Intergovernmental Association and Upper Explorerland Regional Planning Commission Joint Agreement</u>
Contract Period:	<u>July 1, 2010 through June 30, 2011</u>

Program:	Admini- stration	Stimulus Youth in School	Stimulus Youth Out of School	Stimulus RFP	Stimulus State Set Aside
Revenues					
Grants	\$ 57,385	\$ 2,028	\$ 7,741	\$ 43,581	\$ 12,193
Expenditures					
Administration	57,385	-	-	-	-
Training related and support services	-	-	-	13	-
Direct training services	-	2,028	7,741	43,568	12,193
Total expenditures	<u>57,385</u>	<u>2,028</u>	<u>7,741</u>	<u>43,581</u>	<u>12,193</u>
Excess of revenues over (under) expenditures	-	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INVESTMENT ACT (WIA) - CONTINUED
For the year ended June 30, 2011

Pass-through Entity:	<u>Upper Explorerland Regional Planning Commission</u>	<u>Workforce Connections</u>	<u>ECIA Business Growth, Inc.</u>
Contract Number:	<u>East Central Intergovernmental Association and Upper Explorerland Regional Planning Commission Joint Agreement</u>		
Contract Period:	<u>July 1, 2010 through June 30, 2011</u>		

Program:	Adult Formula	Youth in School Formula	Youth Out of School Formula	Dislocated Worker Formula	Adult DLW Incentive	State Set-Aside	Youth Offender Expansion	Green Jobs
Revenues								
Grants	\$ 105,077	\$ 50,768	\$ 94,819	\$ 235,310	\$ 13,754	\$ 7,712	\$ 83,129	\$ 2,553
Expenditures								
Administration	-	-	-	-	-	-	-	-
Training related and support services	5,834	475	2,650	31,271	13	-	1,882	2,553
Direct training services	99,243	50,293	92,169	204,039	13,741	7,712	81,247	-
Total expenditures	105,077	50,768	94,819	235,310	13,754	7,712	83,129	2,553
Excess of revenues over (under) expenditures	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Continued from previous page.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INVESTMENT ACT (WIA) - CONTINUED
For the year ended June 30, 2011

Pass-through Entity:

Iowa Workforce Development

Contract Number:

8-W-FR- P8-3-01	11-W-FR- P1-0-17	9-W-PF- RR-1-22	10-W-FR- 9F-0-05	11-W-FR- P1-0-06	11-W-FR- P1-0-03	9-W-PF- RR-1-30	11-I-PF- EG-0-05	ECIA-TANF
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Contract Period:

July 1, 2010 through June 30, 2011

Program:

Revenues

	EPJ NEG	EPJ Severe Storms	Rockwell Collins SEG	Eagle Feather- Lite	ARRA OJT	Thermo Fisher	Deere/Exide Henderson SEG	State Energy Sector	TANF	Totals
Grants	\$ 13,931	\$ 2,094	\$ 53,446	\$ 101,686	\$ 1,434	\$ 186,348	\$ 15,935	\$ 42,801	\$ 28,817	\$ 1,162,542

Expenditures

Administration	-	-	2,823	10,000	186	17,438	2,463	2,464	5,087	97,846
Training related and support services	2,922	583	6,804	11,433	-	72,013	625	-	394	139,465
Direct training services	11,009	1,511	43,819	80,253	1,248	96,897	12,847	40,337	23,336	925,231
Total expenditures	13,931	2,094	53,446	101,686	1,434	186,348	15,935	42,801	28,817	1,162,542

Excess of revenues over
(under) expenditures

-	-	-	-	-	-	-	-	-	-	-
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Fund balance at
beginning of year

-	-	-	-	-	-	-	-	-	-	-
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Fund balance at
end of year

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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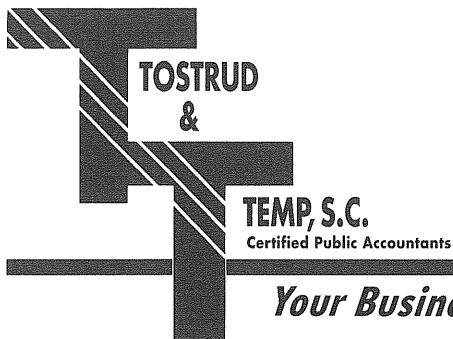
East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2011

Grantor/Program	Federal CFDA Number	Agency or Pass-Through Grantor's Number	Accrual Basis Program Disbursements
Direct			
United States Department of Commerce			
EDA Planning Grant	11.302	05-83-04375-02 05-83-04962	\$ 28,418 19,317 <u>47,735</u>
Economic Adjustment Recovery Assistance	11.307	05-39-2195.01 05-69-04681	124,995 67,956 <u>192,951</u>
Total United States Department of Commerce			240,686
Indirect:			
United States Department of Labor			
Passed through ECIA Business Growth, Inc. Green Jobs	17.275	ECIA Business Growth Contract	<u>22,353</u>
Total United States Department of Labor			22,353
United States Department of Health and Human Services			
Passed through Upper Explorerland Regional Planning Commission Promise Jobs (Major Program) Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF)	93.558 93.714	UERPC/ECIA Contract UERPC/ECIA Contract	328,838 <u>28,817</u>
Total United States Department of Health and Human Services			357,655
United States Department of Labor			
Passed through the Iowa Workforce Development (Major Program)			
Rapid Response	17.260	Iowa Workforce Dev	360,943
National Emergency Grant	17.260	Iowa Workforce Dev	13,931
Passed through Upper Explorerland Regional Planning Commission			
Workforce Investment Act Cluster (Major Programs)			
Administration	17.258	UERPC/ECIA Contract	57,385
Adult Formula	17.258	UERPC/ECIA Contract	148,658
Youth Offender Expansion	17.259	UERPC/ECIA Contract	83,129
Youth In School Formula	17.259	UERPC/ECIA Contract	52,796
Youth Out of School Formula	17.259	UERPC/ECIA Contract	102,560
Dislocated Worker Formula	17.260	UERPC/ECIA Contract	235,310
State Set Aside	17.260	UERPC/ECIA Contract	<u>19,905</u>
			699,743
Workforce Investment Act (Major Program)			
State Energy			
Sector Partnership	17.275	UERPC/ECIA Contract	42,801
Incentive	17.267	UERPC/ECIA Contract	<u>13,754</u>
			56,555
Total United States Department of Labor			1,131,172

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - CONTINUED
For the year ended June 30, 2011

Grantor/Program	Federal CFDA Number	Agency or Pass-Through Grantor's Number	Accrual Basis Program Disbursements
United States Department of Housing and Urban Development			
Passed through Rebuild Iowa Office (Major Program)			
Jumpstart Program	14.228	08-CRH-004	\$ 1,043,372
United States Department of Transportation			
Passed through Iowa Department of Transportation			
FHWA Planning - RPA	20.515	11-RPA-08	102,575
FHWA - Planning	20.205	11-MPO-ECIA	130,370
Safe Routes to School	20.205	08-SRTS-002	96,000
Passed through Illinois Depart- ment of Transportation			
IL Hwy Planning Research	20.205	IDOT Contract	9,537
Technical Studies	20.205	IDOT Contract	-
FHWA Planning	20.515	IDOT Contract	-
Passed through Wisconsin Depart- ment of Transportation			
FHWA Planning	20.515	WisDOT Contract	6,300
Total United States Department of Transportation			344,782
Total Indirect			2,899,334
Total Federal Financial Assistance			\$ 3,140,020

Note: This statement is prepared on the accrual basis of accounting.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the East Central Intergovernmental Association ("the Association"), as of and for the year ended June 30, 2011, which collectively comprise the Association's basic financial statements and have issued our report thereon dated November 8, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

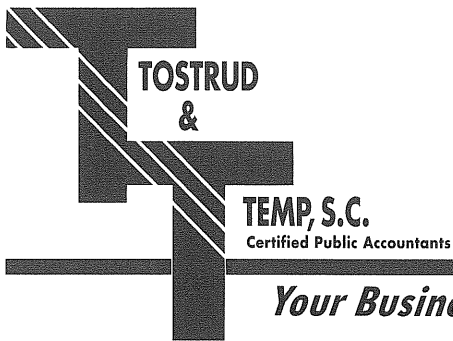
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, the board, others within the entity, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Foster and Temp, S. C.

November 8, 2011



609 S. 4th Street, Suite B
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Your Business Safety Net

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Compliance

We have audited the compliance of the East Central Intergovernmental Association ("the Association"), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2011. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Association's compliance with those requirements.

In our opinion, the Association, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the board, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Forster + Kemp, S. C.

November 8, 2011

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency identified? ☐ yes ☒ no

Significant deficiency identified
considered to be a material weakness? ☐ yes ☒ no

Noncompliance material to the financial statements? ☐ yes ☒ no

Federal Awards

Internal control over financial reporting:

Significant deficiency identified? ☐ yes ☒ no

Significant deficiency identified
considered to be a material weakness? ☐ yes ☒ no

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Circular A-133
Section .510(1)? ☐ yes ☒ no

Identification of major federal program

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.260	WIA Cluster
14.228	Jumpstart
93.558	Promise Jobs

Dollar threshold used to distinguish
between Type A and Type B programs \$300,000

Auditee qualified as a low-risk auditee? ☒ yes ☐ no

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior Period Findings

None